

REPORT

STAT

RESTRICTED

CD NO.

COUNTRY China

DATE OF INFORMATION 1948

SUBJECT Economic - Railways

HOW PUBLISHED Daily newspaper

DATE DIST. ¹⁸ March 1949

WHERE
PUBLISHED Shang-hai

NO. OF PAGES 2

DATE
PUBLISHED 10 December 1948

SUPPLEMENT TO
REPORT NO.

LANGUAGE Chinese

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANINGS OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SCURCE Hsin-won Pao, (Shang-hai News), No 18514, 1948. (Information requested.)

THE ECONOMIC IMPORTANCE OF THE
PROPOSED EUNAN-KWETCHOW RAILWAY

A survey of the projected Hunan-Kweichow Railway has already been undertaken by a group of US aid experts headed by Stetsman. When built, it will be a source of great benefit to Hunan, and is considered to equal importance with the construction of the Southwest Highway.

The railway will extend from Yen-chi in central Hunan to Shu-p'u, pass through Ta-shiang-k'ou, cross the Yuan River and extend through Yu-shu-wan, Chih-chiang and Huang Hsien to Yu-p'ing. While it only crosses west Hunan, it is connected with many points by highways and waterways. At Ch'en-shi it touches the Yuan and Chih Rivers and highways into Szechwan and the southwest; at Yu-shu-wan it meets the Wu Chiang and the highways to Shao-yang and to the southwest. Other feeder highways are planned, making the railway a large artery of communication equal to the Kuang-chow-Han-k'ou line in south Hunan.

The provincial government is equally interested in opening up the mineral resources in west Hunan. This is their chief object in building the railway. Because the coal is inferior to that of Ch'en-ch'i, and transport is difficult, these mines have not been fully worked. Several mining companies there have failed. There are also silver mines in the vicinity which have been slightly worked with insufficient capital. Both these products could be marketed if there were a railway.

In Ch'en-oh'i Hsien there are numerous deposits of coal and rich iron ore, recognized by experts as the best quality for steelmaking. Social disorder has prevented their development, but a railway would give an outlet for these minerals and bring new prosperity.

In Ma-yang there are zinc and lead deposits. At Ch'en-shu and Ch'en-huai placer-gold deposits worked by crude methods have been yielding about 10 ounces a day, but the government purchasing office was so mismanaged as to make the work unprofitable. Other areas along the Hunan-Kweichow border, such as Huang Hsien and T'ung-jen, produce mercury, sulfur, coal and iron. With the coming of a railway the former stagnation would be followed by widespread mining and

- 1 -

CLASSIFICATION RESTRICTED

[illegible]

RESTRICTED

RESTRICTED

STAT

marketing of these valuable minerals.

The rice-producing districts of Shu-p'u and Lung-t'an may be termed the "West Hunan granary." However, lack of purchases and difficulties of transport by coolies, have left the district with a holdover surplus each year which has been burned to make room for the new crop. Several hundred thousand piculs (one picul is 133 lbs.) would be destroyed in this way. Huai-hua has the same conditions due to lack of transportation. The people of Shu-p'u plan a highway from Lung-t'an into the city which will connect with the Hunan-Kweichow railroad for wider distribution.

A large amount of tung oil is produced in Ma-yang and the Hsing River valley which could be sold for foreign exchange, but it is stranded in the valleys, with no outlet or market. The farmers, therefore, are cutting down the tung trees, claiming that they will plant other trees for fuel, that planting tung trees for the oil does not pay, and by getting rid of them other hillside crops can be grown.

The cotton mill at An-chiang and the cement and cotton mills at Ch'en-ch'i all feel that losses by river transport are heavy, for wrecks on the rapids are by no means uncommon. Their shipping departments have many a headache over the Ch'ing-lang rapids between Yuan-ling and T'ao-yuan. The cement mill will be moved to Ta-yeh in Hupeh unless this railway is built. To avoid depression in both agriculture and industry and to gain new prosperity, this railway is a necessity.

In the past west Hunan has been the subject of frequent disorder, due chiefly to the fact that this region has been beyond effective control by the government. Local bullies, grasping landlords and unsavory politicians took matters in their own hands, seizing power, levying taxes, oppressing the populace, each in his own interest.

After the southwest highway was put through, peace was restored. When the railway is built in this region, troops can be quickly brought in and disturbances quelled.

- E N D -

- 2 -

RESTRICTED

RESTRICTED